

January 25, 1978

Chester--

1. Rather than wait, could you offer us (tenants and those who attend the Sunday meetings) several seminars? For instance, I have only ~~the~~ a vague idea of what RAP is, Sec. 8, etc.--all the terms we throw around so loosely. And: what they all mean when analyzed from a left viewpoint.

2. I happened on an interesting analysis of a New York case preserving Grand Central Station as a landmark, denying Penn Central the right to develop that property. (Costonis: The Disparity Issue, 91 Harv. IR 402.) Zoning regulations permitted 60-story buildings in that area. Penn Central's application to construct such a building on the Grand Central Station lot was rejected by the NYC Landmarks Commission. Penn Central was forced to stick with the much less profitable Grand Central Station only.

But, in exchange, NYC allowed Penn Central to transfer their Development Right (i.e. 60 stories) to neighboring property--so instead of three 60-story skyscrapers on the neighboring property, three 80-story buildings were allowed. (I'm not using actual figures.)

Has San Francisco or California any experience with Transferrable Development Rights? It would appear an ideal way for us to avoid the Buy Back Plan:

An ordinance could be passed requiring Four Seas--in accord with the rationale of the I-Hotel's historical status--to maintain the I-Hotel as is: shops, community spaces, low-rent congregate housing for Chinatown-Manilatown. Rents would be strictly regulated, perhaps using Housing Authority standards. In exchange, Four Seas would be given certain rights to exceed zoning restrictions on a structure they could build on the parking lot. (The City might also toss in a property tax partial exemption, and/or guarantee market-rate rent for a city office in one of the commercial spaces.

3. The other notion that case has is that the value to Penn Central of the Grand Central station property was largely a result of "public enterprise": previous subsidies, tax exemption, RR-franchises given Penn Central, and "the routing of various modes of transit to converge below the Terminal." That figured in when the court considered the fairness in denying Penn Central the right to build their skyscraper, and forcing them to take TDR's instead. How much of the I-Hotel value of \$1.3 million is due to "public investment and concomitant community growth"--the "social increment"?

Bill

A SF firm, Okamoto Associates, and Peter Svirsky, Senior Planner, SF Dept. of Planning worked with Costonis on a book he did for the National Trust.